BAYSWATER
EXPLORATION & PRODUCTION, LLC

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BEST MANAGEMENT PRACTICES (BMP)
ADAMS AND WASHINGTON COUNTIES, COLORADO

Planning/ Facilities

- When feasible, develop one unified separation/treatment and oil tank storage facility for multiple wells to reduce cumulative impacts, multiple facility footprints and adverse impacts on wildlife resources.
- Plan for growth upfront in the design process such that tanks or water handling facilities can be added with minimal ground disturbance later in development or drilling progress.
- In terms of production, wells will be brought on-line in a phased approach to utilize existing evaporation ponds and minimize the footprint of new ponds.
- Existing wells will be shut-in (SI) while new wells are brought on line to control produced water volumes and over building facilities.

Drilling/Completion Operations

- Light sources will be directed downwards and away from occupied structures during drilling operations.
- Completion operations will be minimal as fracture stimulation is not necessary for our target formations in the Adams and Washington Co. wells.
- Noise and the numbers of days with equipment on site will be minimized due to completion techniques.
- Once the drilling and completions rigs leave the site, there will be no permanently installed lighting on site.

Site Specific

- The facilities, separation and oil storage equipment plus evaporation ponds will be fenced to restrict public and wildlife access.
- The well site locations, facilities and the roads will be kept free of noxious weeds, litter and debris.
- Spraying for noxious weeds will be applied as needed.
- Operator will manage all facilities such that secondary containment berms and evaporation ponds are within the specifications set forth in the COGCC rules.
- Gates and fences will be constructed and maintained where necessary.
- All lease roads used by operator, its employees, or contractors will be graded and maintained such that water can drain properly.
- Mist systems are proposed for the evaporation ponds to aide in the rates of water handling and control of levels in the ponds during summer/peak evaporation months.
- Daily visits from field pumpers will record pond levels and make adjustments to production if necessary.

Storm Water/Erosion Control

- Operator will make use of water bars, straw hay bales, gravel and other measures will be used to prevent erosion, storm water run-off and site degradation.
- Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).

Construction

- Remove only the minimum amount of vegetation necessary for the construction of roads, drilling pads, facilities and evaporation ponds.
- Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.
- No construction or routine maintenance activities will be performed during periods when the soil and or roads are too wet to adequately support construction equipment.

Interim Reclamation

- Utilize existing pad areas and for temporary storage of equipment when possible such that any new well pads will have a reduced footprint.
- Restore well site locations to their original condition within a reasonable time frame after the completion of operations.
- All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by surface owner.

Final Reclamation

- All surface restoration shall be accomplished to the satisfaction of surface owner.
- All final seeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by surface owner.
- Drilling pad size will be reclaimed to a simple vehicle turn-around area for daily maintenance of wells and pump jacks.
- Final reclamation shall be completed to the reasonable satisfaction of the surface owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).

Pit Monitoring/Inspection

- Drilling personnel/site supervisor will monitor the earthen drilling pit fluid level to ensure the minimum required two (2) feet of freeboard is maintained at the drill site.
- Once drilling operations are completed, Operator personnel & pumper will inspect the evaporation ponds on a daily basis. Adjustments can be made daily if needed to well cycles, shutting in of a well and diverting water to pits that have more freeboard available. Pumpers will also monitor the condition of the fencing, pipeline routes, wells, pumps and facilities in general for observations of abnormal activity and operations. Records will be kept documenting pit monitoring levels and inspection.
- When applicable, fluids will be delivered to and/or removed from the pit from a single, designated access point. The access point shall be clearly identified and shall be constructed and utilized to prevent damage to the liner system from operators and contractors placing or removing hoses into or from the pit during fluid transfer.